

DEPT

ADDENDUM 1
AGREEMENT between GOVERNMENT OF GUAM and STANDARD INSURANCE COMPANY
Re: RFP/DOA/HR-016-01
2016 Life Insurance Contract

The Addendum 1 is in reference to the Life Insurance Contract procured between the Government of Guam and Standard Insurance Company under RFP# RFP/DOA/HR-016-01.

In consideration of the mutual covenants set forth, the Parties agree to amend the original Agreement as follows:

1. Agreement, Page 1, Paragraph 1:

This Agreement is made and entered upon the date it is signed by the Governor of Guam by and between the GOVERNMENT OF GUAM (hereinafter referred to as the "Policyholder"), and STANDARD INSURANCE COMPANY (hereinafter referred to as the "Insurance Company" or "Insurer").

2. Agreement, Page 4, Section XVI, new insert to read as follows:

Access to Records. The Contractor, including its subcontractors, if any, shall maintain all books, documents, papers, accounting records and other evidence pertaining to costs incurred and to make such materials available at their respective office at all reasonable times during the contract period and for three (3) years from the date of final payment under this Formal Agreement, for inspection by Policyholder. Each subcontract by the Contractor pursuant to this Agreement shall include a provision containing the conditions of this Section."

3. Agreement, Pages 4-7, change in section titles:

All remaining section titles thereafter to change accordingly as Sections XVII through Section XXIV.

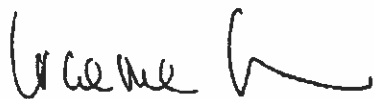
4. Group Life Insurance Policy, Policy Number page 1 and all remaining pages.

Group Policy Number 68722-B is hereby corrected to read Group Policy Number 647825-B.

5. Group Life Insurance Policy, Page 33, Section J, Agency and Release:

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Standard Insurance Company.

STANDARD INSURANCE COMPANY



Graeme Queen, 2nd VP Strategic Acct Svcs

Date 11/27/18

DEPARTMENT OF ADMINISTRATION



Edward M. Birn, Director, Department of Administration

Date 12/11/18

18-0377 *l. 291*

**AGREEMENT
between
GOVERNMENT OF GUAM
and
STANDARD INSURANCE COMPANY**

This Agreement is made and entered into this ____ day of ____, 2017, by and between the GOVERNMENT OF GUAM (hereinafter referred to as the "Policyholder"), and STANDARD INSURANCE COMPANY (hereinafter referred to as the "Insurance Company" or "Insurer").

WHEREAS, the Policyholder solicited proposals to provide group life insurance for a three (3) year period of the Government of Guam employees, retirees, and dependents of employees; whereas, the Policyholder desires to be able to continue annually the group life insurance up to a maximum of two (2) additional years; and

WHEREAS, the Policyholder desires to enter into a contract with the Insurance Company setting forth the principal terms of the Group Life Insurance Policy (as shown in Attachment A) to be issued by the Insurance Company for the covered three-year period (the "Policy"), which Policy may at the option of the Policyholder and Insurance Company be continued annually up to a maximum of two (2) additional years.

NOW, THEREFORE, the Policyholder and the Insurance Company mutually agree to the following:

I.

The term of this agreement shall commence at 12:01 A.M., June 1, 2016 for Active Employees, Retirees and Survivors of Retirees (the "Effective Date") and be continued until June 1, 2019. The second and third years of the contract are contingent upon availability of funds being appropriated by the Guam Legislature. The Policyholder may, at its sole option, continue annually up to a maximum of two (2) one year terms, contingent upon the availability of funds. If funds are not appropriated for any year or are insufficient, then the contract will either be cancelled if ongoing, or not renewed, depending upon the circumstances. The Rate Guarantee Period will be extended for up to a maximum of two (2) one year terms subject to whether both the Incurred Loss Ratio and Current Loss Ratio for Life Insurance under the Group Policy are .88 or less. Any renewal increase for the two (2) one-year terms will be capped at 20%. For more information please see the Group Life Insurance Policy in Attachment B.

Insurance Company will maintain an on-site employee in Guam as described in the On Site Assistance Service Agreement in Attachment C.

The rate guarantees are included in the Group Life Insurance Policy Attachment B. Any request to negotiate the policy rate must be transmitted by certified mail to:

Policyholder:

Government of Guam
Department of Administration
Attn: Director
P.O. Box 884
Agana, Guam 96932

Insurance Company:

The Standard
920 SW Sixth Avenue
Portland, OR 97204

RECEIVED

JUL 02 2018

**Bureau of Budget and
Management Research**

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**Budget and
Management Research**

C19064001

II.

As of the Effective Date, the rates for the coverage issued under **GROUP POLICY Attachment B** shall be part of this Agreement.

III.

Payment of any payable Basic benefit shall be made within 24 hours after receipt of complete and proper documentation, and payment of any payable Optional Life, AD&D or Dependent Life Insurance benefit shall be made within 5 days of receipt of complete and proper documentation.

IV.

The open enrollment period under this Agreement will be agreed upon by both parties.

- A. Employees may enroll with their agency personnel offices or at a Standard Insurance Company-initiated open enrollment group meeting scheduled in coordination with the Government of Guam personnel.
- B. Retirees and survivors may enroll at Standard Insurance Company - initiated open enrollment group meetings, the Retirement Fund Office, at the Department of Administration or through the mail with proper documents such as affidavit for verification purposes.
- C. Employees, retirees and survivors may enroll at the Department of Administration

V.

"Incurred Claims" is defined as claims paid, reserves for pending claims, reserves for Life Waiver of Premium claims and Claims Incurred but Not Reported ("IBNR").

VI.

The Insurance Company will discount claim reserves for interest wherever appropriate. The Insurance Company's interest credits will decrease claim liabilities and accordingly benefit the Policyholder on coverage's where appropriate.

VII.

Waiver of Premium disabled life reserves established will equal an Actuarial percentage determined by the Insurance Company and reviewed by the Policyholder of the anticipated death benefit amount (not considering AD&D) in force upon the occurrence of each claim. These reserves will be retained by the Insurance Company, in their entirety, upon termination of the policy.

VIII.

Item E.1 of the Waiver of Premium provision under the Group Policy will not apply to the Policyholder, unless the Policyholder elects to add age reductions to the Group Policy at a later date.

IX.

The Policyholder agrees to maintain a 100% enrollment of the eligible subscriber population of the Basic program and 20% on the Plan 2 Optional Life program during the term of this Agreement.

Prior to the issuance of a termination notice pursuant to the Policy Design, the Insurance Company must engage in an enrollment campaign as defined in Section X of this Agreement.

X.

An enrollment campaign will become effective if the enrollment of the eligible subscriber population on the Plan 2 Optional Life becomes equal to or less than 20%. During such a period, the Insurance Company will have the enrollment period of 60 days in which a simple statement of health and verification of active, continuous employment for wage or profit during the prior 12-month period will be sufficient for Plan 2 Optional Life coverage.

XI.

Standard Insurance Company will provide Beneficiary Tracking in which we locate missing beneficiaries using several methods, including but not limited to, collecting information from funeral homes, doing a credit bureau search, and hiring an investigator.

XII.

Standard Insurance Company will provide the following associated with the June 1, 2016 – May 31, 2019 agreement term:

- Purchase of a scanner for the Government of Guam office that can be used to scan life claim forms and other documents.
- Reimbursement of the cost of a dedicated parking spot for beneficiaries coming to pick up benefit checks.
- Addition of a Common Carrier (Public Transportation) AD&D benefit at no additional premium cost. The benefit is the total of the Basic and Additional AD&D benefit.
- Repatriation benefit applies to Dependent Coverage. Up to a \$10,000 repatriation benefit applies to each repatriation incident.
- An Online Benefit Enrollment System to be implemented at Government of Guam's direction and discretion.
- Print brochures, enrollment forms, videos, posters, and benefit summaries to assist Government of Guam with the 2016 One-Time Open Enrollment and Annual Enrollments in subsequent future years (2017, 2018, and 2019 plan years).
- A One-Time Open Enrollment to be held in October, 2016; benefit and premium changes will take effect November 1, 2016. Eligible members and dependents may enroll up to a Guarantee Issue Limit without Evidence of Insurability. Active Members may enroll for up to \$30,000 of Additional Life coverage. Retired Members may enroll in increments of \$5,000, \$10,000, or \$15,000 Additional Life coverage. Active and Retirees may enroll for up to \$10,000 Dependent Spouse and \$8,000 Child(ren) life coverage.
- The 2016 One-Time Open Enrollment is not available to Active and Retired Members who have previously submitted Evidence of Insurability and were declined. Those who were previously declined may submit new Evidence of Insurability and, if approved, will have the requested coverage. If declined, these Members will not have the requested coverage.
- A new Additional Life Benefit Maximum of \$120,000 will apply. New Members coming on to the Government of Guam's Life Insurance plan will have the new \$120,000 Benefit Maximum at Guarantee Issue without subject to Evidence of Insurability.
- Reimbursement for reasonable expenses to run print advertisements in Guam local publications announcing the 2016 One-Time Open Enrollment offering. The determination of reasonable expenses will be made by the Insurance Company.
- Reimbursement for reasonable expenses to run print advertisements in Guam local publications announcing subsequent Annual Enrollment periods in 2017, 2018, and 2019 plan years. The determination of reasonable expenses will be made by the Insurance Company.

XIII.

The Policyholder will have access to AdminEase to help manage billing and payments, employee enrollments, claims, Waiver of Premium, Evidence of Insurability, and contracts.

Standard Insurance Company will provide the following reports on a regular basis and upon request:

- Experience Reports - show the current policy year and all years' experience and are produced annually. These reports illustrate premiums, paid claims and claim reserves. For experience rated groups, retention is also shown.

- Claim Experience Reports - list the individual claims that were active and closed during the time period requested. The information includes benefits paid, as well as beginning and ending reserves.

Additionally, for the ease of the Policyholder administrators the following reports will be available online and are updated daily using AdminEase and Reports OnlineSM:

- Life Claim Status - a listing of all pending and active Life claims, as well as all Life claims closed within the last 90 days.

- Life Payment Detail - this report provides payment information for all active and pending claims, as well as all closed claims within that last 90 days.

- Expanded Claim Detail - this report provides a detailed snapshot of all active and pending claims, and closed claims within the last 90 days.

- Diagnosis Summary - this report provides a breakdown of closed claims in broad categories of related diagnoses within the last 90 days.

XIV.

Claim Fluctuation Reserve (CFR) - Standard has offered a quasi-participating contract that would allow Government of Guam to accumulate in a special reserve held by Standard. Any premium dollars collected but not needed that year to cover the claim and retention would be deposited into a Government of Guam CFR. These monies can be used in future years to reduce premium costs or for other benefits related items this will not change in any way the three year rate guarantee.

XV.

Standard Insurance Company has agreed to hire an on-site employee to help ease the administration of the policy. Standard Insurance Company will provide the office equipment (computer, printer, and telephone) required to perform their duties. The Government of Guam will provide the office space for the onsite employee. One aspect of the onsite employee's duties will be to review payroll back-up provided in the premium submission process to help identify outliers and possible issues. If there are issues with premium, Standard Insurance Company agrees to accept the enrollment form as the record. The Government of Guam and Standard Insurance Company agree to reassess in 6 months whether the onsite employee is sufficient for the needs of the Government of Guam. At that time, we will determine whether an additional part- or full-time employee is required, as well as assess whether the expense of such an addition would impact rates.

XVI.

This Life Insurance plan will include UHC Travel Assist for employees and Dependents. The Insurer will provide the Policyholder with brochures to provide to its employees detailing information about UHC Travel Assist and its benefits.

XVII.

Ethical Standards – with respect to this Contract and any other contract the Insurance Company may have, or wish to enter into, with any Government of Guam agency, Insurance company represents that it has not knowingly influenced, and promises that it will know knowingly influence, any government employee to breach any of the ethical standards set forth in the Guam Procurement Law and in any of the Guam Procurement Regulations.

XVIII.

Prohibition against Gratuities and Kickbacks – With respect to this Contract and any other contract that Insurance Company may have, or wish to enter into, with any Government of Guam agency, Insurance Company represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities and kickbacks set forth in the Guam Procurement Law and Guam Procurement Regulations.

XIX.

Prohibition against Contingent Fees – Insurance Company represents that it has not retained any person or agency upon an agreement or understanding for a percentage, commission, brokerage, or any other contingent arrangement, except for retention of bona fide employees or bona fide established commercial selling agencies, to solicit or secure this Contract or any other contract with the Government of Guam or its agencies.

XX.

Restriction Against Contractor Employing Sex Offenders to Work at Government of Guam Venues – The Insurance Company warrants that no person convicted of a sex offense in Guam under the provisions of Chapter 25 of Title 9 Guam Code Annotated, or an offense as defined in Article 2 of Chapter 28, Title 9 Guam Code Annotated, or an offense in any jurisdiction which includes, at a minimum, all of the elements of said offenses, or who is listed on the Sex Offender Registry, shall work for the Insurance company on property of the Government of Guam other than a public highway. Further, the Insurance Company warrants that if any person providing services on its behalf is convicted of a sex offense under the provisions of Chapter 25 of Title 9 Guam Code Annotated or an offense as defined in Article 2 of Chapter 28, Title 9 Guam Code Annotated, or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry, that such person will be immediately removed from working on property of the Government of Guam and that the Policyholder be informed of such within twenty-four (24) hours of such conviction.

XXI.

Mandatory Disputes Resolution Clause - In the event of a conflict between this "Mandatory Disputes Resolution Clause" and any other terms in this contract, it is the intent of the government of Guam and the contractor that the terms of this clause are to be given precedence.

(1) **Disputes- Contractual Controversies.** The government of Guam and the contractor agree to attempt resolution of all controversies which arise under, or are by virtue of, this contract through mutual agreement. If the controversy is not resolved by mutual agreement, then the contractor shall request the head of the purchasing agency, or their designee, in writing to issue a final decision within sixty days after receipt of the written request in keeping with 5 GCA § 5427 (c). The head of the purchasing agency or their designee shall immediately furnish a copy of the decision to the contractor, by certified mail with a return receipt requested, or by any other method that provides evidence of receipt.

(2) **Absence of a Written Decision within Sixty Days.** If the head of the purchasing agency, or their designee does not issue a written decision within sixty days after written request for a final decision, or within such longer

period as may be agreed upon by the parties, then the contractor may proceed as though the head of the purchasing agency, or their designee had issued a decision adverse to the contractor.

(3) **Appeals to the Office of Public Accountability.** The head of the purchasing agency's, or their designee's decision shall be final and conclusive, unless fraudulent or unless the contractor appeals the decision administratively to the Public Auditor in accordance with 5 GCA § 5706.

(4) **Disputes - Money Owed To or By the Government of Guam.** This subsection applies to appeals of the government of Guam's decision on a dispute. For money owed by or to the government of under this contract, the contractor shall appeal the decision in accordance with the "Government Claims Act", 5 GCA § 6101 et. seq., by initially filing a claim with the Office of the Attorney General no later than eighteen months after the decision is rendered by the government of Guam or from the date when a decision should have been rendered. For all other claims by or against the government of Guam arising under this contract, the Office of the Public Auditor has jurisdiction over the appeal from the decision of the government of Guam. Appeals to the Office of the Public Auditor must be made within sixty (60) days of government of Guam's decision or from the date the decision should have been made.

(5) **Exhaustion of Administrative Remedies.** The contractor shall exhaust all administrative remedies before filing an action in the Superior Court of Guam in accordance with applicable laws.

(6) **Performance of Contract Pending Final Resolution by the Court.** The contractor shall comply with the government of Guam's decision and proceed diligently with performance of this contract pending final resolution by the Superior Court of Guam of any controversy arising under, or by virtue of, this contract, except where the contractor claims a material breach of this contract by the government of Guam. However, if the head of the purchasing agency determines in writing that continuation of services under this contract is essential to the public's health or safety, then the contractor shall proceed diligently with performance of the contract notwithstanding any claim of material breach by the government of Guam provided that the Government of Guam continues to pay premiums per the terms of the group insurance policy and such payments shall not be construed as an admission, defense or waiver against the government's claim of material breach or otherwise used against the government in its claim of material breach.

This Section XXI(6) shall not apply if the Government of Guam is in arrears (i.e., it has failed to pay premiums within the grace period stated in the group insurance policy).

XXII.

Minimum Wages as Determined by U.S. Department of Labor - The offeror awarded a contract under this solicitation agrees to comply with Title 5, Sections 5801 and 5802. In the event that the offeror employs persons whose purpose, in whole or in part, is the direct delivery of service contracted by the Government, then the offeror awarded a contract under this solicitation shall pay such employees, at a minimum, in accordance with the U.S. Department of Labor Wage Determination for Guam and the Northern Marianas Islands in effect on the date of a contract. In the event that the contract is renewed by the Government, the offeror awarded a contract under this solicitation shall pay such employees in accordance with the Wage Determination for Guam and the Northern Marianas Islands promulgated on a date most recent to the renewal date.

18-0377

The offeror awarded a contract under this solicitation agrees to provide employees whose purpose, in whole or in part, is the direct delivery of service contracted by the Government those mandated health and similar benefits having a minimal value as detailed in the U.S. Department of Labor Wage Determination for Guam and the Northern Marianas Islands, and guarantee such employees a minimum of ten (10) paid holidays per annum per employee.

This Section XXII shall apply only to Insurance Company's employee(s) who are working in Guam and providing direct services under this Agreement and/or the group insurance policy(ies) between the Government of Guam and Insurance Company.

XXIII.

The parties agree that the Insurance Company's response to the Government of Guam 2016 Group Term Life Insurance RFP, as modified by negotiations and agreements of the parties hereto (the "Response"), hereby is incorporated as part of this Agreement, provided however, that if any provision of the Response is inconsistent with any provision of this Agreement or the Policy, the provisions of this Agreement or the Policy will govern. The parties further agree that the terms and conditions of Insurance Company's group term life insurance policy and related Amendments, which are attached as Attachments A and B and made a part of this Agreement, shall govern the provision of life insurance coverage to eligible members.

CONTRACTUAL AGREEMENT BETWEEN GOVERNMENT OF GUAM AND STANDARD INSURANCE COMPANY, LIFE FOR THE PERIOD JUNE 1, 2016 THROUGH MAY 31, 2019.

IN WITNESS WHEREOF, the parties hereby executed this Agreement.

STANDARD INSURANCE COMPANY:

By: Graeme Queen
Graeme Queen
2nd VP Strategic Account Services

Date: 11/02/2017

GOVERNMENT OF GUAM

By: Christine W. Baleto
Christine W. Baleto, Director
Department of Administration

Date: NOV 20 2017

APPROVED AS TO FORM:

By: Elizabeth Barrett-Anderson
Elizabeth Barrett-Anderson for 18-0377
Attorney General of Guam

Date: 12/26/18

APPROVED AS TO RATES:

By: John P. Camacho
John P. Camacho, Director
Department of Revenue & Taxation Insurance
Commissioner

Date: March 30, 2018

CERTIFIED FUNDS AVAILABLE:

By: Vincent P. Arriola
Vincent P. Arriola
Deputy Director


Date: 3-21-18

By: LESTER L. CARLSON, Jr.
LESTER L. CARLSON, Jr.
Acting Director, BBMR

Date: JUL 06 2018

RECEIVED

JUL 02 2018


EDDIE BAZA CALVO
Governor of Guam

Date:

1/2/19

DEPARTMENT OF ADMINISTRATION
DIVISION OF ACCOUNTS

Registration Date 01/02/2019
Registration No. C190611001
Vendor No. NO COST CONTRACT
Registered By: JP 01/09/2019

NOTICE OF PLAN CHANGE

To

**Members Insured under Group Policy 648725-A issued to
Government of Guam as Policyholder.**

Group Policy 648725-A has been replaced by Group Policy 648725-B. The attached Certificate replaces the Certificate which was issued under Group Policy 648725-A, subject to the following:

1. The **Active Work Provisions** will not be construed to terminate insurance for any Member who was insured under Group Policy 648725-A as of May 31, 2016.
2. For purposes of the **Incontestability Provisions**, Group Policy 648725-B will be deemed to be in effect since May 22, 2011.

Any increase in amounts of coverage for a Member who is incapable of Active Work on May 31, 2016, will be deferred until the next day after the Member completes one full day of Active Work.

If your group insurance is subject to the Employee Retirement Income Security Act (ERISA), this document will also act as notice to you of corresponding changes in your Summary Plan Description.

Please attach this notice to your certificate.

STANDARD INSURANCE COMPANY

Experience Rating Refund Agreement

A part of group policy 648725-B (Group Policy) issued to Government of Guam, as Policyholder.

Standard Insurance Company (The Standard) and the Policyholder hereby adopt this Experience Rating Refund (ERR) Agreement and Claims Fluctuation Reserve (CFR) account in connection with Plan 1 Life Insurance under the Group Policy in accordance with the following provisions. This Agreement amends and restates the existing Experience Rating Refund Agreement which has been applied to Group Policy 648725-A.

Calculating the Experience Rating Refund

The ERR is calculated at the end of each Computation Period and is the result of the following calculation:

$$\text{ERR} = \text{Earned Premium} - \text{Incurred Claims} - \text{Expenses} - \text{Refunds} + \text{Withdrawals}$$

Each element is calculated from the Experience Rating Refund Start Date to the end of the most recent Computation Period.

Definitions

Experience Rating Refund Start Date means May 22, 2011.

Earned Premium = $a + b - c$, where:

a = Paid Premiums.

b = Change in uncollected premium.

c = Change in advance premium.

Incurred Claims = $a + b + c + d + e$, where:

a = Claims paid, including benefits paid and costs incurred under any provision of the Group Policy.

b = Legal fees, expenses, settlements and judgments paid in connection with lawsuits relating to claims.

c = Payments of the Employer's share of Social Security and Medicare tax by The Standard (if applicable).

d = Conversion charges for converting to an individual life insurance policy under the Right To Convert provision (if applicable).

e = Change in claims reserves, including Incurred But Not Reported (IBNR), pending, active and outstanding claims reserves.

Expenses = a + b + c + d, where:

a = Commissions and administrative fees paid.

b = Premium tax incurred.

c = Expenses and charges as determined according to the formulas adopted by The Standard and any other variable expenses incurred and applied to this Group Policy.

d = Risk and contingency charge as determined according to the formulas adopted by The Standard.

Refunds means prior ERR amounts deposited by The Standard to the Policyholder's CFR account.

Withdrawals means prior ERR amounts withdrawn by The Standard from the Policyholder's CFR account.

Annual Premium means the Earned Premium for the most recently completed Computation Period. The Earned Premium is annualized if the Computation Period is other than 12 months.

Computation Period means the period beginning on the Experience Rating Refund Start Date to the end of the rate guarantee period in effect, and each renewal period thereafter. If the renewal date is changed by amendment, the Computation Period will be adjusted accordingly. A Computation Period automatically ends on the date this Agreement terminates, and the final Computation Period ends 12 months after that date.

Deposits and Withdrawals

By The Standard: If the ERR amount is positive, The Standard will deposit the ERR amount in the Policyholder's CFR account.

If the ERR amount is negative, The Standard will withdraw the ERR amount, up to the available balance, from the Policyholder's CFR account.

By the Policyholder: The Policyholder may deposit money in its CFR account at any time.

The Policyholder may withdraw money in excess of 100% of the Annual Premium from its CFR account.

The Standard will pay the money from the CFR account within 60 days after receipt of a written request from the Policyholder to that effect.

Runout Period

An ERR calculation will be performed as of the termination date of this Agreement, and a deposit to or withdrawal from the CFR account will be made by The Standard as needed.

After a 12-month runout period, the final ERR calculation will be performed. If the result is negative, a withdrawal from the CFR account will be made. If the result is positive, no further deposit to the CFR account will be made.

Any amount remaining in the CFR account will then be refunded to the Policyholder. If the remaining ERR amount is negative, the Policyholder is not obligated to reimburse The Standard for any portion of the negative balance.

Other Terms and Conditions

For CFR interest crediting purposes, ERR deposits and withdrawals are assumed to be made as of the last day of the most recent Computation Period. Other deposits and withdrawals are assumed to be made as of the date the transaction is processed.

If premium is due under the Group Policy, The Standard may withdraw the amount due from the CFR account or withhold the amount due from any payment to the Policyholder. Any amount thereafter tendered by the Policyholder to pay such due premium shall be credited to the CFR account.

Funds held in the CFR account earn interest annually, at a monthly rate equal to the one-year Constant Maturity Treasury (CMT) rate as published on the U.S. Treasury Daily Treasury Yield Curve Rates web page, on the fifth working day before the crediting rate is to take effect, plus 0.50%. Funds held in the CFR account constitute a part of The Standard's general corporate funds to be used and invested as The Standard sees appropriate.

All ERR deposits and withdrawals will be made to or from the CFR account in accordance with this Agreement, unless the Policyholder and The Standard agree in writing to an alternative mode of payment. For the purpose of calculation in this Agreement, any amount paid to the Policyholder will be considered a Refund, and any amount paid to The Standard will be considered a Withdrawal.

The Policyholder may terminate this Agreement by giving 31 days prior written notice of the termination to The Standard.

The Standard may terminate this Agreement if it determines that the Policyholder has failed to promptly furnish any necessary information requested by The Standard, or if the Policyholder has failed to perform any other obligations relating to this Agreement. The Standard will give 31 days prior written notice of any such termination. The Standard may terminate this Agreement without cause at the end of the current rate guarantee period or any subsequent renewal period by providing 60 days prior written notice to the Policyholder.

The Standard may terminate this Agreement on any anniversary date if the Annual Premium falls below \$50,000. The Standard will provide 60 days prior written notice of such termination.

This Agreement terminates automatically when the Group Policy terminates.

Except as provided in this Agreement, all other terms of the Group Policy apply.

This Agreement is effective January 1, 2017.

By:



Policyholder

Dated:

NOV 20 2017

STANDARD INSURANCE COMPANY

By

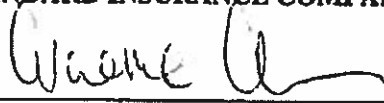

President
Corporate Secretary

18-0371L

CONTRACTUAL AGREEMENT BETWEEN GOVERNMENT OF GUAM AND STANDARD
INSURANCE COMPANY FOR THE PERIOD JUNE 1, 2016 UNTIL JUNE 1, 2019:

IN WITNESS WHEREOF, the parties herby execute the agreement.

STANDARD INSURANCE COMPANY:

By: 

Graeme Queen
2nd VP Strategic Account Services

Date: 11/7/17

GOVERNMENT OF GUAM

By: 

Christine W. Baleto, Director
Department of Administration

Date: NOV 20 2017

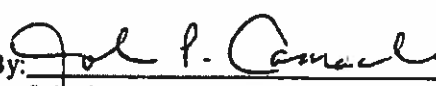
APPROVED AS TO FORM:

By: 
Elizabeth Barrett-Anderson ^{DOA 18-0371}
Attorney General of Guam

Date: JUL 06 2018
By: 


LESTER L. CARLSON, Jr.
Acting Director, BBMR

APPROVED AS TO RATES:

By: 
John P. Camacho
Department of Revenue &
Taxation, Insurance Commissioner

Date: March 30, 2018
Date:

APPROVED


EDDIE BAZA GALVO
Governor of Guam

Date: 1/2/19

DEPARTMENT OF ADMINISTRATION
DIVISION OF ACCOUNTS

Registration Date 01/02/2019
Registration No. 0190611001
Vendor No. NO COST CONTRACT
Registered By: R 01/09/2019

RECEIVED

JUL 02 2018

Bureau of Budget and
Management Research

RECEIVED

MAY 22 2018

Bureau of Budget and
Management Research

STANDARD INSURANCE COMPANY

A Stock Life Insurance Company
900 SW Fifth Avenue
Portland, Oregon 97204-1282
(503) 321-7000

CERTIFICATE GROUP LIFE INSURANCE

Policyholder:	Government of Guam
Policy Number:	648725-B
Effective Date:	June 1, 2016

The consideration for this Group Policy is the application of the Policyholder and the payment by the Policyholder of premiums as provided herein.

Subject to the **Policyholder Provisions** and the **Incontestability Provisions**, this Group Policy (a) is issued for the Initial Rate Guarantee Period shown in the **Coverage Features**, and (b) may be renewed for successive renewal periods by the payment of the premium set by us on each renewal date. The length of each renewal period will be set by us, but will not be less than 12 months.

For purposes of effective dates and ending dates under this Group Policy, all days begin and end at 12:00 midnight Standard Time at the Policyholder's address.

This policy includes an Accelerated Benefit. Death benefits will be reduced if an Accelerated Benefit is paid. The receipt of this benefit may be taxable and may affect your eligibility for Medicaid or other government benefits or entitlements. However, if you meet the definition of "terminally ill individual" according to the Internal Revenue Code Section 101, your Accelerated Benefit may be non-taxable. You should consult your personal tax and/or legal advisor before you apply for an Accelerated Benefit.

All provisions on this and the following pages are part of this Group Policy. "You" and "your" mean the Member. "We", "us", and "our" mean Standard Insurance Company. Other defined terms appear with their initial letters capitalized. Section headings, and references to them, appear in boldface type.

STANDARD INSURANCE COMPANY

GPLL-LIFE 01


President

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COVERAGE FEATURES

This section contains many of the features of your group life insurance. Other provisions, including exclusions and limitations, appear in other sections. Please refer to the text of each section for full details. The Table of Contents and the Index of Defined Terms help locate sections and definitions.

GENERAL POLICY INFORMATION

Group Policy Number:	648725-B
Type of Insurance Provided:	
Life Insurance:	Yes
Dependents Life Insurance:	Yes
Accidental Death And Dismemberment (AD&D) Insurance:	Yes
Policyholder:	Government of Guam
Employer(s):	Government of Guam
Group Policy Effective Date:	June 1, 2016
Policy Issued In:	Guam

BECOMING INSURED

To become insured for Life Insurance you must: (a) Be a Member; (b) Complete your Eligibility Waiting Period; and (c) Meet the requirements in **Life Insurance** and **Active Work Provisions**. The Active Work requirement does not apply to Members who are retired on the Group Policy Effective Date or for a surviving Spouse of a deceased retiree. The requirements for becoming insured for coverages other than Life Insurance are set out in the text.

Definition of Member:	You are a Member if you are:
	1. An active employee of the Employer regularly working at least 20 hours each week.
	2. An employee who retired under the Employer's retirement program.
	3. A surviving Spouse of a deceased retiree who retired under the Employer's retirement program.

You are not a Member if you are

1. A contract employee with no benefits
2. An Independent Contractor

Class Definition:

Class 1:	Active Members
Class 2:	Retired Members (Effective May 31, 2011)
Class 3:	Surviving Spouses of deceased retirees (Effective May 31, 2011)

Eligibility Waiting Period:	You are eligible on one of the following dates:
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Class 1:

If you are a Member on the Group Policy Effective Date, you are eligible on the first day coinciding with or next following 6 consecutive months as a Member.

If you become a Member after the Group Policy Effective Date, you are eligible on the first day coinciding with or next following 6 consecutive months as a Member.

Class 2 and 3:

If you are a Member on the Group Policy Effective Date, you are eligible on that date.

If you become a Member after the Group Policy Effective Date, you are eligible on the date you become a Member.

Evidence of Insurability:

Required:

- a. For late application for Contributory Insurance.
- b. For reinstatements if required.
- c. For Members and Dependents eligible but not insured under the Prior Plan.
- d. For any increase resulting from a plan or option change you elect.

Note: An active Member who becomes a retired Member will have 31 days to apply for Plan 2 (additional) and/or Dependents Life Insurance.

During Your Employer's Annual Enrollment Period

If you are insured for an amount less than \$120,000, requirement(s) d. above will be waived if you apply for an increase in your Plan 2 Life Insurance by no more than two \$5,000 increments up to a maximum of \$120,000 during the Annual Enrollment Period.

Annual Enrollment Period means the period designated each year by your Employer when you may change insurance elections.

2016 One Time Enrollment November 1, 2016 through November 22, 2016

In addition to your Employer's Annual Enrollment Period, if you are eligible for or insured for Plan 2 Life and AD&D Insurance or Dependents Life Insurance under the Group Policy on the day before the one time enrollment period, certain Evidence Of Insurability requirements will be waived with respect to Plan 2 Life and AD&D Insurance and Dependents Life Insurance. However, we will not waive the Evidence Of Insurability requirements if you, your Spouse or Child previously submitted evidence of good health that was not approved by us.

Insurance amounts and increases which are applied for during the enrollment period, become effective on December 1, 2016.

1. If you were an active Member who was eligible but not insured for Plan 2 Life and AD&D Insurance under the Group Policy on the day before the one time open enrollment period, requirements a. and c. above will be waived if you apply for Plan 2 Life Insurance and AD&D Insurance by up to \$30,000 during the one time open enrollment period.
2. If you were an active Member who was insured under the Group Policy on the day before the one time enrollment period for an amount less than \$120,000, requirement(s) d. above will be waived if you apply for an increase in your Plan 2 Life Insurance and AD&D Insurance by up to \$30,000, but not to exceed \$120,000 during the one time enrollment period.
3. If you were a retired Member who was eligible but not insured for Plan 2 Life and AD&D Insurance under the Group Policy on the day before the one time open enrollment period, requirements a.

and c. above will be waived if you apply for Plan 2 Life Insurance and AD&D Insurance in increments of \$5,000, \$10,000 or \$15,000 during the one time open enrollment period.

4. If you were a retired Member who was insured under the Group Policy on the day before the one time enrollment period for an amount less than \$15,000, requirement(s) d. above will be waived if you apply for an increase in your Plan 2 Life Insurance and AD&D Insurance during the one time enrollment period.
 5. If you are an active Member, retired Member or a Surviving Spouse and your Spouse and Child were eligible but not insured for Dependents Life Insurance under the Group Policy on the day before the one time open enrollment period, requirements a. and c. above will be waived if you apply for Dependents Life Insurance for your Spouse or Child during the one time open enrollment period.
 6. If you are an active Member, retired Member or a Surviving Spouse and your Spouse and Child were insured for Dependents Life Insurance under the Group Policy on the day before the one time open enrollment period, requirements d. above will be waived if you apply for an increase in Dependents Life Insurance for your Spouse or Child during the one time open enrollment period.
-

PREMIUM CONTRIBUTIONS

Life Insurance:

Plan 1: Noncontributory

Plan 2: Contributory

AD&D Insurance:

Plan 1: Noncontributory

Plan 2: Contributory

Dependents Life Insurance: Contributory

SCHEDULE OF INSURANCE

SCHEDULE OF LIFE INSURANCE

For you:

Life Insurance Benefit:

You will become insured under Plan 1 if you meet the requirements to become insured under the Group Policy.

If you are insured under Plan 1, you may also become insured under Plan 2 if you meet the requirements to become insured under Plan 2 Life Insurance under the Group Policy. Plan 2 is a Contributory plan requiring premium contributions from Members.

Plan 1 (basic): All Classes: \$10,000

Plan 2 (additional): Class 1: You may apply for Life Insurance in multiples of \$5,000, from \$30,000 to \$120,000.

Class 2: Your choice of one of the following options:

Option 1: \$5,000

Option 2: \$10,000

Option 3: \$15,000

Class 3: None

The Repatriation Benefit:

The expenses incurred to transport your body to a mortuary near your primary place of residence, but not to exceed \$10,000.

Dependents Life Insurance Benefit (All Classes):

For your Spouse:

\$10,000

The amount of Dependents Life Insurance for your Spouse may not exceed 100% of the amount of your Life Insurance.

For your Child:

\$8,000

The amount of Dependents Life Insurance for your Child may not exceed 100% of the amount of your Life Insurance.

The Repatriation Benefit:

The expenses incurred to transport your body to a mortuary near your primary place of residence, but not to exceed \$10,000.

For purposes of the Repatriation Benefit for your dependents, "you" and "your" means your insured dependents. Any reference to Life Insurance Benefit means Dependents Life Insurance Benefit in regards to the Repatriation Benefit for dependents.

You are not eligible for a Repatriation Benefit as a Dependent if you are also insured as a Member.

SCHEDULE OF AD&D INSURANCE

For you:

AD&D Insurance Benefit:

Plan 1 (basic):

All Classes: The amount of your Plan 1 AD&D Insurance Benefit is equal to the amount of your Plan 1 Life Insurance Benefit. The amount payable for certain Losses is less than 100% of the AD&D Insurance Benefit. See AD&D Table Of Losses.

Plan 2 (additional)

Class 1 and 2: The amount of your Plan 2 AD&D Insurance Benefit is equal to the amount of your Plan 2 Life Insurance Benefit. The amount payable for certain Losses is less than 100% of the AD&D Insurance Benefit. See AD&D Table Of Losses.

Class 3: None

Seat Belt Benefit:

The amount of the Seat Belt Benefit is \$10,000.

Air Bag Benefit:

The amount of the Air Bag Benefit is \$5,000.

Career Adjustment Benefit:

The tuition expenses for training incurred by your Spouse within 36 months after the date of your death, exclusive of board and room, books, fees, supplies and other expenses, but not to exceed \$5,000 per year, or the cumulative total of \$10,000.

Child Care Benefit:	The total child care expense incurred by your Spouse within 36 months after the date of your death for all Children under age 13, but not to exceed \$5,000 per year, or the cumulative total of \$10,000.
Higher Education Benefit:	The tuition expenses incurred per Child within 4 years after the date of your death at an accredited institution of higher education, exclusive of board and room, books, fees, supplies and other expenses, but not to exceed \$5,000 per year, or the cumulative total of \$10,000.
Public Transportation Benefit:	100% of the amount of the AD&D Insurance Benefit otherwise payable for the Loss of your life.

AD&D TABLE OF LOSSES

The amount payable is a percentage of the AD&D Insurance Benefit in effect on the date of the accident and is determined by the Loss suffered as shown in the following table:

Loss:	Percentage Payable:
a. Life	100%
b. One hand, one foot or sight of one eye	50%
c. Two or more of the Losses listed in b. above	100%

No more than 100% of your AD&D Insurance will be paid for all Losses resulting from one accident.

REDUCTIONS IN INSURANCE

Your Insurance is not subject to reductions due to age.

OTHER BENEFITS

Waiver Of Premium:	Class 1: Yes Class 2 and 3: No
Accelerated Benefit:	For all Classes: Yes, applies to Plan 1 and Plan 2 Life Insurance

OTHER PROVISIONS

Limits on Right To Convert if Group Policy terminates or is amended:

Minimum Time Insured:	5 years
Maximum Conversion Amount:	\$10,000
Leave Of Absence Period:	365 days

Insurance Eligible For Portability:

For you:

Life Insurance:	Yes
Minimum combined amount:	\$10,000
Maximum combined amount:	\$300,000

For your Spouse:

Dependents Life Insurance:	Yes
Minimum combined amount:	\$5,000
Maximum combined amount:	\$100,000

For your Child:

Dependents Life Insurance:	Yes
Minimum combined amount:	\$1,000
Maximum combined amount:	\$5,000

For you:

AD&D Insurance:	Yes
Minimum combined amount:	\$10,000

LIFE INSURANCE

A. Insuring Clause

If you die while insured for Life Insurance, we will pay benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

B. Amount Of Life Insurance

See the **Coverage Features** for the Life Insurance schedule.

C. Changes In Life Insurance

1. Increases

You must apply in writing for any elective increase in your Life Insurance.

Subject to the **Active Work Provisions**, an increase in your Life Insurance becomes effective as follows:

a. Increases Subject To Evidence Of Insurability

An increase in your Life Insurance subject to Evidence Of Insurability becomes effective on the later of:

- (i) The first day following the end of your Employers Annual Enrollment period if you apply during the Annual Enrollment period; or
- (ii) The date we approve your Evidence Of Insurability

b. Increases Not Subject To Evidence Of Insurability

An increase in your Life Insurance not subject to Evidence Of Insurability becomes effective on:

- (i) The first day of the calendar month coinciding with or next following the date of change in your classification.
- (ii) The end of the Annual Enrollment Period following the date you apply, if you apply during the Annual Enrollment Period.

2. Decreases

A decrease in your Life Insurance because of a change in your classification becomes effective on the first day of the calendar month coinciding with or next following the date of the change.

Any other decrease in your Life Insurance becomes effective on the first day of the calendar month coinciding with or next following the date the Policyholder or your Employer receives your written request for the decrease.

D. Repatriation Benefit

The amount of the Repatriation Benefit is shown in the **Coverage Features**.

We will pay a Repatriation Benefit if all of the following requirements are met.

1. A Life Insurance Benefit is payable because of your death.
2. You die more than 200 miles from your primary place of residence.
3. Expenses are incurred to transport your body to a mortuary near your primary place of residence.

E. When Life Insurance Becomes Effective

The **Coverage Features** states whether your Life Insurance is Contributory or Noncontributory.

Subject to the **Active Work Provisions**, your Life Insurance becomes effective as follows:

1. Life Insurance subject to Evidence Of Insurability

Life Insurance subject to Evidence Of Insurability becomes effective on the later of:

- a. The first day following the end of your Employers Annual Enrollment period if you apply during the Annual Enrollment period; or
- b. On the date we approve your Evidence Of Insurability

2. Life Insurance not subject to Evidence Of Insurability

a. Noncontributory Life Insurance

Noncontributory Life Insurance not subject to Evidence Of Insurability becomes effective on the date you become eligible.

b. Contributory Life Insurance

You must apply in writing for Contributory Life Insurance and agree to pay premiums. Contributory Life Insurance not subject to Evidence Of Insurability becomes effective on:

- (i) The date you become eligible if you apply on or before that date.
- (ii) The date you apply if you apply within 31 days after you become eligible.
- (iii) The end of the Annual Enrollment Period following the date you apply, if you apply during the Annual Enrollment Period.

Late application: Evidence Of Insurability is required if you apply more than 31 days after you become eligible.

3. Takeover Provision

- a. If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Group Policy.
- b. You must submit satisfactory Evidence Of Insurability to become insured for Life Insurance if you were eligible under the Prior Plan for more than 31 days but were not insured.

F. When Life Insurance Ends

Life Insurance ends automatically on the earliest of:

1. The date the last period ends for which a premium was paid for your Life Insurance.
2. The date the Group Policy terminates;
3. The date your employment terminates, unless you are eligible for benefits as a retired Member or surviving Spouse of a deceased retiree; and
4. The date you cease to be a Member. However, if you cease to be a Member because you are working less than the required minimum number of hours, your Life Insurance will be continued with premium payment during the following periods, unless it ends under 1 through 3 above.
 - a. While your Employer is paying you at least the same Annual Earnings paid to you immediately before you ceased to be a Member.
 - b. While you are a member of any reserve component of the United States Armed Forces, including the Guam National Guard, and you are mobilized to active military duty. During

such leave, Life Insurance may be continued to the end of 90 days after release from active military duty.

- c. While your ability to work is limited because of Sickness, Injury, or Pregnancy.
- d. During the first 365 days of:
 - (1) A temporary layoff; or
 - (2) A strike, lockout, or other general work stoppage caused by a labor dispute between your collective bargaining unit and your Employer.
- e. During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
- f. During any other scheduled leave of absence approved by your Employer in advance and in writing and lasting not more than the period shown in the **Coverage Features**.

G. Reinstatement Of Life Insurance

If your Life Insurance ends, you may become insured again as a new Member. However, 1 through 3 below will apply.

- 1. If your Life Insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
- 2. If you exercised your Right To Convert, you must provide Evidence Of Insurability to become insured again.
- 3. If your Life Insurance ends because you are on a federal or state-mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your insurance will be reinstated pursuant to the federal or state-mandated family or medical leave act or law.

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DEPENDENTS LIFE INSURANCE

A. Insuring Clause

If your Dependent dies while insured for Dependents Life Insurance, we will pay benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

B. Amount Of Dependents Life Insurance

See the **Coverage Features** for the amount of your Dependents Life Insurance.

C. Definitions For Dependents Life Insurance

Dependent means your Spouse or Child.

D. Becoming Insured For Dependents Life Insurance

1. Eligibility

You become eligible to insure your Dependents on the later of:

- a. The date you become eligible for Life Insurance; and
- b. The date you first acquire a Dependent.

A Member may be insured as both a Member and a Dependent. A Child may be insured by more than one Member.

2. Effective Date

The **Coverage Features** states whether your Dependents Life Insurance is Contributory or Noncontributory. Subject to the **Active Work Provisions**, your Dependents Life Insurance becomes effective as follows:

a. Dependents Life Insurance Subject To Evidence Of Insurability

Dependents Life Insurance subject to Evidence Of Insurability becomes effective on the later of:

1. The date your Life Insurance becomes effective;
2. The first day following the end of your Employers Annual Enrollment period if you apply during the Annual Enrollment period; or
3. On the date we approve your Dependents Evidence Of Insurability

b. Contributory Dependents Life Insurance Not Subject To Evidence Of Insurability

You must apply in writing for Contributory Dependents Life Insurance and agree to pay premiums. Contributory Dependents Life Insurance not subject to Evidence Of Insurability becomes effective on:

- i. The date your Life Insurance becomes effective if you apply on or before that date.
- ii. The date you become eligible to insure your Dependents if you apply on or before that date.
- iii. The date you apply if you apply within 31 days after you become eligible.
- iv. The end of the Annual Enrollment Period following the date you apply, if you apply during the Annual Enrollment Period.

Late Application: Evidence Of Insurability is required for each Dependent if you apply more than 31 days after you become eligible.

- c. While your Dependents Life Insurance is in effect, each new Child becomes insured immediately.
- d. Takeover Provision

Each Dependent who was eligible under the Prior Plan for more than 31 days but was not insured must submit satisfactory Evidence Of Insurability to become insured for Dependents Life Insurance.

E. Repatriation Benefit

The amount of the Repatriation Benefit is shown in the **Coverage Features**.

We will pay a Repatriation Benefit if all of the following requirements are met.

1. A Life Insurance Benefit is payable because of your death.
2. You die more than 200 miles from your primary place of residence.
3. Expenses are incurred to transport your body to a mortuary near your primary place of residence.

F. When Dependents Life Insurance Ends

Dependents Life Insurance ends automatically on the earliest of:

1. If you are Class 1 Member, five months after you die (no premiums will be charged for your Dependents Life Insurance during this time);
2. The date your Life Insurance ends.

3. The date Dependents Life Insurance terminates under the Group Policy.
4. The date your Group Policy terminates, or the date Employer's coverage under the Group Policy for Dependents Life Insurance terminates.
5. The date the last period ends for which a premium was paid for your Dependents Life Insurance.
6. For your Spouse, the date of your divorce or legal separation or termination of your Civil Partner relationship.
7. For any Dependent, the date the Dependent ceases to be a Dependent.
8. For a Child who is Disabled, 90 days after we mail you a request for proof of Disability. If proof is not given.
9. The Date the Group Policy terminates.

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ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

A. Insuring Clause

If you have an accident, while insured for AD&D Insurance, and the accident results in a Loss, we will pay benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

B. Definition Of Loss For AD&D Insurance

Loss means loss of life, hand, foot, or sight which meet all of the following requirements:

1. Is caused solely and directly by an accident.
2. Occurs independently of all other causes.
3. With respect to Loss of life, is evidenced by a certified copy of the death certificate.
4. With respect to all other Losses, occurs within 365 days after the accident and is certified by a Physician in the appropriate specialty as determined by us.

With respect to a hand or foot, Loss means actual and permanent severance from the body at or above the wrist or ankle joint.

With respect to sight, Loss means entire, uncorrectable, and irrecoverable loss of sight.

C. Amount Payable

See **Coverage Features** for the AD&D Insurance schedule. The amount payable is a percentage of the AD&D Insurance Benefit in effect on the date of the accident and is determined by the Loss suffered. See AD&D Table Of Losses in the **Coverage Features**.

D. Changes In AD&D Insurance

Changes in your AD&D Insurance will become effective on the date your Life Insurance changes.

E. AD&D Insurance Exclusions

No AD&D Insurance benefit is payable if the accident or Loss is caused or contributed to by any of the following:

1. War or act of War while on active military duty in a war zone. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.

2. Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.
3. The voluntary use or consumption of any poison, chemical compound, alcohol or drug, unless used or consumed according to the directions of a Physician.
4. Sickness or Pregnancy existing at the time of the accident.
5. Heart attack or stroke.
6. Medical or surgical treatment for any of the above.

F. Additional AD&D Benefits

Seat Belt Benefit

The amount of the Seat Belt Benefit is shown in the **Coverage Features**.

We will pay a Seat Belt Benefit if all of the following requirements are met:

1. You die as a result of an Automobile accident for which an AD&D Insurance Benefit is payable for Loss of your Life; and
2. You are wearing and properly utilizing a Seat Belt System at the time of the accident, as evidenced by a police accident report.

Seat Belt System means a properly installed combination lap and shoulder restraint system that meets the Federal Vehicle Safety Standards of the National Highway Traffic Safety Administration. Seat Belt System will include a lap belt alone, but only if the Automobile did not have a combination lap and shoulder restraint system when manufactured. Seat Belt System does not include a shoulder restraint alone.

Automobile means a motor vehicle licensed for use on public highways.

Air Bag Benefit

The amount of the Air Bag Benefit is shown in the **Coverage Features**.

We will pay an Air Bag Benefit if all of the following requirements are met:

1. You die as a result of an Automobile accident for which a Seat Belt Benefit is payable for Loss of your Life.
2. The Automobile is equipped with an Air Bag System that was installed as original equipment by the Automobile manufacturer and has received regular maintenance or scheduled replacement as recommended by the Automobile or Air Bag manufacturer.
3. You are seated in the driver's or a passenger's seating position intended to be protected by the Air Bag System and the Air Bag System deploys, as evidenced by a police accident report.

Air Bag System means an automatically inflatable passive restraint system that is designed to provide automatic crash protection in front or side impact Automobile accidents and meets the Federal Vehicle Safety Standards of the National Highway Traffic Safety Administration.

Automobile means a motor vehicle licensed for use on public highways.

Career Adjustment Benefit

The amount of the Career Adjustment Benefit is shown in the **Coverage Features**.

We will pay a Career Adjustment Benefit to your Spouse if all of the following requirements are met:

1. You are insured for AD&D Insurance under the Group Policy.

2. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
3. Your Spouse is, within 36 months after the date of your death, registered and in attendance at an accredited institution of higher education or trades training program for the purpose of obtaining employment or increasing earnings.

No Career Adjustment Benefit will be paid if you have no surviving Spouse.

Child Care Benefit

The amount of the Child Care Benefit is shown in the **Coverage Features**.

We will pay a Child Care Benefit to your Spouse if all of the following requirements are met:

1. You are insured for AD&D Insurance under the Group Policy.
2. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
3. Your Spouse pays a licensed child care provider who is not a member of your family for child care provided to your Child(ren) under age 13 within 36 months of your death.
4. The child care is necessary in order for your Spouse to work or to obtain training for work or to increase earnings.

No Child Care Benefit will be paid if you have no surviving Spouse.

Higher Education Benefit

The amount of the Higher Education Benefit is shown in the **Coverage Features**.

We will pay a Higher Education Benefit to your Child if all of the following requirements are met:

1. You are insured for AD&D Insurance under the Group Policy.
2. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
3. Your Child is, within 12 months after the date of your death, registered and in full-time attendance at an accredited institution of higher education beyond high school.

The Higher Education Benefit will be paid to each Child who meets the requirements of item 3 above, for a maximum of 4 consecutive years beginning on the date of your death. No Higher Education Benefit will be paid if there is no Child eligible to receive it.

Public Transportation Benefit

The amount of the Public Transportation Benefit is shown in the **Coverage Features**.

We will pay a Public Transportation Benefit if all of the following requirements are met:

1. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
2. The accident occurs while you are riding as a fare-paying passenger on Public Transportation.

Public Transportation means a public passenger conveyance operated by a licensed common carrier for the transportation of the general public for a fare and operating on regular passenger routes with a definite schedule of departures and arrivals.

G. Becoming Insured For AD&D Insurance

1. Eligibility

You become eligible for AD&D Insurance on the date your Life Insurance is effective.

2. Effective Date

The **Coverage Features** states whether AD&D Insurance is Contributory or Noncontributory. Subject to the **Active Work Provisions**, AD&D Insurance becomes effective as follows:

a. Noncontributory AD&D Insurance

Noncontributory AD&D Insurance becomes effective on the date you become eligible.

b. Contributory AD&D Insurance

You must apply in writing for Contributory AD&D Insurance and agree to pay premiums. Contributory AD&D Insurance becomes effective on the later of:

(i) The date you become eligible if you apply on or before that date.

(ii) The first day of the calendar month coinciding with or next following the date you apply, if you apply after you become eligible.

H. When AD&D Insurance Ends

AD&D Insurance ends automatically on the earlier of:

1. The date your Life Insurance ends.
2. The date your Waiver Of Premium begins.
3. The date AD&D Insurance terminates under the Group Policy.
4. The date the last period ends for which a premium was paid for your AD&D Insurance.

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ACTIVE WORK PROVISIONS

If you are incapable of Active Work because of Sickness, Injury or Pregnancy on the day before the scheduled effective date of your insurance or an increase in your insurance, your insurance or increase will not become effective until the day after you complete one full day of Active Work as an eligible Member.

Active Work and Actively At Work mean performing the material duties of your own occupation at your Employer's usual place of business. You will also meet the Active Work requirement if:

1. You were absent from Active Work because of a regularly scheduled day off, holiday, or vacation day;
2. You were Actively At Work on your last scheduled work day before the date of your absence; and
3. You were capable of Active Work on the day before the scheduled effective date of your insurance or increase in your insurance.

LI.AW.OT.1

CONTINUITY OF COVERAGE

A. Waiver Of Active Work Requirement

If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, you can become insured on the effective date of your Employer's coverage without meeting the Active Work requirement. See **Active Work Provisions**.

B. Payment Of Benefit

The benefits payable before you meet the Active Work requirement will be:

1. The benefits which would have been payable under the terms of the Prior Plan if it had remained in force; reduced by
2. Any benefits payable under the Prior Plan.

LI.CC.01

PORTABILITY OF INSURANCE

A. Portability Of Insurance

If your insurance under the Group Policy ends because your employment with your Employer terminates, you may be eligible to buy portable group insurance coverage as shown in the **Coverage Features** for yourself and your Dependents without submitting Evidence Of Insurability. To be eligible you must satisfy the following requirements:

1. On the date your employment terminates, you must be able to perform with reasonable continuity the material duties of at least one gainful occupation for which you are reasonably fitted by education, training and experience.

(If you are unable to meet this requirement, see the **Right To Convert** and **Waiver Of Premium** provisions for other options that may be available to you under the Group Policy.)

2. On the date your employment terminates, you are under age 65.
3. On the date your employment terminates, you must have been continuously insured under the Group Policy for at least 12 consecutive months. In computing the 12 consecutive month period, we will include time insured under the Prior Plan.
4. You must apply in writing and pay the first premium directly to us at our Home Office within 31 days after the date your employment terminates. You must purchase portable group life insurance coverage for yourself in order to purchase any other insurance eligible for portability.

This portable group insurance will be provided under a master Group Life Portability Insurance Policy we have issued to the Standard Insurance Company Group Insurance Trust. If approved, the certificate you will receive will be governed under the terms of the Group Life Portability Insurance Policy and will contain provisions that differ from your Employer's coverage under the Group Policy.

B. Amount Of Portable Insurance

The minimum and maximum amounts that you are eligible to buy under the Group Life Portability Insurance Policy are shown in the **Coverage Features**. You may buy less than the maximum amounts in increments of \$1,000.

The combined amounts of insurance purchased under this **Portability Of Insurance** provision and the **Right To Convert** provision cannot exceed the amount in effect under the Group Policy on the day before your employment terminates.

C. When Portable Insurance Becomes Effective

Portable group insurance will become effective the day after your employment with your Employer terminates, if you apply within 31 days after the date your employment terminates.

If death occurs within 31 days after the date Insurance ends under the Group Policy, life insurance benefits, if any, will be paid according to the terms of the Group Policy in effect on the date your employment terminates and not the terms of the Group Life Portability Insurance Policy. AD&D benefits, if any, will be paid according to the terms of the Group Policy or the Group Life Portability Insurance Policy, but not both. In no event will the benefits paid exceed the amount in effect under the Group Policy on the day before your employment terminates.

(WITH DL REF_WITH ADAD REF) LI.TP.OT.1

WAIVER OF PREMIUM

A. Waiver Of Premium Benefit

Insurance will be continued without payment of premiums while you are Totally Disabled if:

1. You become Totally Disabled while insured under the Group Policy and under age 70;
2. You complete your Waiting Period; and
3. You give us satisfactory Proof Of Loss.

We may have you examined at our expense at reasonable intervals. Any such examination will be conducted by specialists of our choice.

B. Definitions For Waiver Of Premium

1. Insurance means all your Insurance under the Group Policy, except AD&D Insurance.
2. Totally Disabled means that, as a result of Sickness, accidental Injury, or Pregnancy, you are unable to perform with reasonable continuity the material duties of any gainful occupation for which you are reasonably fitted by education, training and experience.
3. Waiting Period means the 180 consecutive day period beginning on the date you become Totally Disabled. Waiver Of Premium begins when you complete the Waiting Period.

C. Premium Payment

Premium payment must continue until the later of:

1. The date you complete your Waiting Period; and
2. The date we approve your claim for Waiver Of Premium.

D. Refund Of Premiums

We will refund up to 12 months of the premiums that were paid for Insurance after the date you become Totally Disabled.

E. Amount Of Insurance

The amount of Insurance eligible for Waiver Of Premium is the amount in effect on the day before you become Totally Disabled. However, the following will apply:

1. Insurance will be reduced or terminated according to the Group Policy provisions in effect on the day before you become Totally Disabled.
2. If you become insured under a group life insurance plan that replaces the Group Policy while you are eligible for Waiver Of Premium, any death benefit payable under the Group Policy will be reduced by the amount payable under the replacement group life insurance plan.
3. If you receive an Accelerated Benefit, Insurance will be reduced according to the **Accelerated Benefit** provision.

F. Effect Of Death During The Waiting Period

If you die during the Waiting Period and are otherwise eligible for Waiver Of Premium, the Waiting Period will be waived.

G. Termination Or Amendment Of The Group Policy

Insurance will not be affected by termination or amendment of the Group Policy after you become Totally Disabled.

H. When Waiver Of Premium Ends

Waiver Of Premium ends on the earliest of:

1. The date you cease to be Totally Disabled;
2. 90 days after the date we mail you a request for additional Proof Of Loss, if it is not given;
3. The date you fail to attend an examination or cooperate with the examiner;
4. With respect to the amount of Insurance which an Insured has converted, the effective date of the individual life insurance policy issued to the Insured.

LI.WP.OT.2X

ACCELERATED BENEFIT

A. Accelerated Benefit

If you give us satisfactory proof of having a Qualifying Medical Condition while you are insured under the Group Policy, you may have the right to receive during your lifetime a portion of your Insurance as an Accelerated Benefit. You must have at least \$10,000 of Insurance in effect to be eligible.

If your Insurance is scheduled to end within 24 months following the date you apply for the Accelerated Benefit, you will not be eligible for the Accelerated Benefit.

Qualifying Medical Condition means you are terminally ill as a result of an illness or physical condition which is reasonably expected to result in death within 12 months.

We may have you examined at our expense in connection with your claim for an Accelerated Benefit. Any such examination will be conducted by one or more Physicians of our choice.

B. Application For Accelerated Benefit

You must apply for an Accelerated Benefit. To apply you must give us satisfactory Proof Of Loss on our forms. Proof Of Loss must include a statement from a Physician that you have a Qualifying Medical Condition.

C. Amount Of Accelerated Benefit

You may receive an Accelerated Benefit of up to 75% of your Insurance. The maximum Accelerated Benefit is \$500,000. The minimum Accelerated Benefit is \$5,000 or 10% of your Insurance, whichever is greater.

If the amount of your Insurance is scheduled to reduce within 24 months following the date you apply for the Accelerated Benefit, your Accelerated Benefit will be based on the reduced amount.

The Accelerated Benefit will be paid to you once in your lifetime in a lump sum. If you recover from your Qualifying Medical Condition after receiving an Accelerated Benefit, we will not ask you for a refund.

D. Effect On Insurance And Other Benefits

For any purpose other than premium payment, the amount of your Insurance after payment of the Accelerated Benefit will be the greater of the amounts in (1) and (2) below; however, if you assign your rights under the Group Policy, the amount of your Insurance will be the amount in (2) below.

(1) 10% of the amount of your Insurance as if no Accelerated Benefit had been paid; or

(2) The amount of your Insurance as if no Accelerated Benefit had been paid; minus

The amount of the Accelerated Benefit; minus

An interest charge calculated as follows:

A times B times C divided by 365 = Interest charge.

A = The amount of the Accelerated Benefit.

B = The monthly average of our variable policy loan interest rate.

C = The number of days from payment of the Accelerated Benefit to the earlier of (1) the date you die, and (2) the date you have a Right To Convert.

The amount of your AD&D Insurance, if any, is not affected by payment of the Accelerated Benefit. AD&D is not continued under Waiver Of Premium.

Note: If you assign your rights under the Group Policy, the amount of your Insurance after payment of the Accelerated Benefit will be the amount in (2) above.

E. Exclusions

No Accelerated Benefit will be paid if:

1. All or part of your Insurance must be paid to your Child(ren), or your Spouse or former Spouse as part of a court approved divorce decree, separate maintenance agreement, or property settlement agreement.
2. You are married and live in a community property state unless you give us a signed written consent from your Spouse.
3. You have made an assignment of all or part of your Insurance unless you give us a signed written consent from the assignee.
4. You have filed for bankruptcy, unless you give us written approval from the Bankruptcy Court for payment of the Accelerated Benefit.
5. You are required by a government agency to use the Accelerated Benefit to apply for, receive, or continue a government benefit or entitlement.
6. You have previously received an Accelerated Benefit under the Group Policy.

F. Definitions For Accelerated Benefit

Insurance means your Life Insurance Benefit under the Group Policy.

LI.AB.OT.5

RIGHT TO CONVERT

A. Right To Convert

You may buy an individual policy of life Insurance without Evidence Of Insurability if:

1. Your Insurance ends or is reduced due to a Qualifying Event; and
2. You apply in writing and pay us the first premium during the Conversion Period.

Except as limited under C. Limits On Right To Convert, the maximum amount you have a Right To Convert is the amount of your Insurance which ended.

B. Definitions For Right To Convert

1. Conversion Period means the 31-day period after the date of any Qualifying Event.
2. Insurance means all your Insurance under the Group Policy, including Insurance continued under Waiver Of Premium, but excluding AD&D Insurance.
3. Qualifying Event means termination or reduction of your Insurance for any reason except:
 - a. The Member's failure to make a required premium contribution.
 - b. Payment of an Accelerated Benefit.
4. You and your mean any person insured under the Group Policy.

C. Limits On Right To Convert

If your Insurance ends or is reduced because of termination or amendment of the Group Policy, 1 and 2 below will apply.

1. You may not convert Insurance which has been in effect for less than the Minimum Time Insured. See **Coverage Features**.
2. The maximum amount you have a Right To Convert is the lesser of:
 - a. The amount of your Insurance which ended, minus any other group life insurance for which you become eligible during the Conversion Period; and
 - b. The Maximum Conversion Amount. See **Coverage Features**.

D. The Individual Policy

You may select any form of individual life insurance policy we issue to persons of your age, except:

1. A term insurance policy;
2. A universal life policy;
3. A policy with disability, accidental death, or other additional benefits; or
4. A policy in an amount less than the minimum amount we issue for the form of life insurance you select.

The individual policy of life insurance will become effective on the day after the end of the Conversion Period. We will use our published rates for standard risks to determine the premium.

E. Death During The Conversion Period

If you die during the Conversion Period, we will pay a death benefit equal to the maximum amount you had a Right To Convert, whether or not you applied for an individual policy. The benefit will be paid according to the **Benefit Payment And Beneficiary Provisions**.

LI.RC.OT.1

CLAIMS

A. Filing A Claim

Claims should be filed on our forms. If we do not provide our forms within 15 days after they are requested, the claim may be submitted in a letter to us.

B. Time Limits On Filing Proof Of Loss

Proof Of Loss must be provided within 90 days after the date of the loss. If that is not possible, it must be provided as soon as reasonably possible, but not later than one year after that 90-day period.

Proof Of Loss for Waiver Of Premium must be provided within 12 months after the end of the Waiting Period. We will require further Proof Of Loss at reasonable intervals, but not more often than once a year after you have been continuously Totally Disabled for two years.

If Proof Of Loss is filed outside these time limits, the claim will be denied. These limits will not apply while the Member or Beneficiary lacks legal capacity.

C. Proof Of Loss

Proof Of Loss means written proof that a loss occurred:

1. For which the Group Policy provides benefits;
2. Which is not subject to any exclusions; and
3. Which meets all other conditions for benefits.

Proof Of Loss includes any other information we may reasonably require in support of a claim. Proof Of Loss must be in writing and must be provided at the expense of the claimant. No benefits will be provided until we receive Proof Of Loss satisfactory to us.

D. Investigation Of Claim

We may have you examined at our expense at reasonable intervals. Any such examination will be conducted by specialists of our choice.

We may have an autopsy performed at our expense, except where prohibited by law.

E. Time Of Payment

We will pay benefits within 60 days after Proof Of Loss is satisfied.

F. Notice Of Decision On Claim

We will evaluate a claim for benefits promptly after we receive it. With respect to all claims except Waiver Of Premium claims (or other benefits based on disability), within 90 days after we receive the claim we will send the claimant: (a) a written decision on the claim; or (b) a notice that we are extending the period to decide the claim for an additional 90 days.

With respect to Waiver Of Premium claims (or other benefits based on disability), within 45 days after we receive the claim we will send the claimant: (a) a written decision on the claim; or (b) a notice that we are extending the period to decide the claim for 30 days. Before the end of this extension period we will send the claimant: (a) a written decision on the Waiver Of Premium claim (or other benefits based on disability); or (b) a notice that we are extending the period to decide the claim for an additional 30 days. If an extension is due to the claimant's failure to provide information necessary to decide the Waiver Of Premium claim (or other benefits based on disability), the extended time period for deciding the claim will not begin until the claimant provides the information or otherwise responds.

If we extend the period to decide the claim, we will notify the claimant of the following: (a) the reasons for the extension; (b) when we expect to decide the claim; (c) an explanation of the standards on which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

If we request additional information, the claimant will have 45 days to provide the information. If the claimant does not provide the requested information within 45 days, we may decide the claim based on the information we have received.

If we deny any part of the claim, we will send the claimant a written notice of denial containing:

1. The reasons for our decision.
2. Reference to the parts of the Group Policy on which our decision is based.
3. Reference to any internal rule or guideline relied upon in deciding a Waiver Of Premium claim (or other benefits based on disability).
4. A description of any additional information needed to support the claim.
5. Information concerning the claimant's right to a review of our decision.
6. Information concerning the right to bring a civil action for benefits under section 502(a) of ERISA if the claim is denied on review.

G. Review Procedure

If all or part of a claim is denied, the claimant may request a review. The claimant must request a review in writing:

1. Within 180 days after receiving notice of the denial of a claim for Waiver Of Premium (or other benefits based on disability);
2. Within 60 days after receiving notice of the denial of any other claim.

The claimant may send us written comments or other items to support the claim. The claimant may review and receive copies of any non-privileged information that is relevant to the request for review. There will be no charge for such copies. Our review will include any written comments or other items the claimant submits to support the claim.

We will review the claim promptly after we receive the request. With respect to all claims except Waiver Of Premium claims (or other benefits based on disability), within 60 days after we receive the request for review we will send the claimant: (a) a written decision on review; or (b) a notice that we are extending the review period for 60 days.

With respect to Waiver Of Premium claims (or other benefits based on disability), within 45 days after we receive the request for review we will send the claimant: (a) a written decision on review; or (b) a notice that we are extending the review period for 45 days.

If an extension is due to the claimant's failure to provide information necessary to decide the claim on review, the extended time period for review of the claim will not begin until the claimant provides the information or otherwise responds.

If we extend the review period, we will notify the claimant of the following: (a) the reasons for the extension; (b) when we expect to decide the claim on review; and (c) any additional information we need to decide the claim.

If we request additional information, the claimant will have 45 days to provide the information. If the claimant does not provide the requested information within 45 days, we may conclude our review of the claim based on the information we have received.

With respect to Waiver Of Premium claims (or other benefits based on disability), the person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to the initial denial decision. If the denial was based on a medical judgement, the person conducting the review will consult with a qualified health care professional. This health care professional will be someone other than the person who made the original medical judgement and will not be subordinate to that person. The claimant may request the names of medical or vocational experts who provided advice to us about a claim for Waiver Of Premium (or other benefits based on disability).

If we deny any part of the claim on review, the claimant will receive a written notice of denial containing:

1. The reasons for our decision.
2. Reference to the parts of the Group Policy on which our decision is based.
3. Reference to any internal rule or guideline relied upon in deciding a Waiver Of Premium claim (or other benefits based on disability).
4. Information concerning the claimant's right to receive, free of charge, copies of non-privileged documents and records relevant to the claim.
5. Information concerning the right to bring a civil action for benefits under section 502(a) of ERISA.

The Group Policy does not provide voluntary alternative dispute resolution options. However, you may contact your local U.S. Department of Labor Office and your State Insurance regulatory agency for assistance.

(2ND REV PRIV WRDG, NEW WOP WRDG) LI.CL.OT.5

ASSIGNMENT

If the amount of your Life Insurance is less than \$10,000, you may not make an assignment.

If the amount of your Life Insurance is \$10,000 or more, you may make an absolute assignment of all your Life and AD&D Insurance, subject to 1 through 8 below.

1. All insurance under the Group Policy, including AD&D Insurance, is assignable. Dependents Life Insurance is not assignable.
2. You may not make a collateral assignment.
3. The assignment must be absolute and irrevocable. It must transfer all rights, including:
 - a. The right to change the Beneficiary;
 - b. The right to buy an individual life insurance policy on your life under **Right To Convert**; and
 - c. The right to receive accidental dismemberment benefits.
 - d. The right to apply for and receive an Accelerated Benefit.
4. The assignment will apply to all of your Life and AD&D Insurance in effect on the date of the assignment or becoming effective after that date.
5. The assignment may be to any person permitted by law.
6. The assignment will have no effect unless it is: made in writing, signed by you, and delivered to the Policyholder or Employer in your lifetime. Neither we, the Policyholder, nor the Employer are responsible for the validity, sufficiency or effect of the assignment.
7. All accidental dismemberment benefits will be paid to the assignee. All death benefits will be paid according to the beneficiary designation on file with the Policyholder or Employer, and the **Benefit Payment And Beneficiary Provisions**.
8. The assignment will not change the Beneficiary, unless the assignee later changes the Beneficiary. Any payment we make according to the beneficiary designation on file with the Policyholder or Employer, and the **Benefit Payment And Beneficiary Provisions** will fully discharge us to the extent of the payment.

You may not make an assignment which is contrary to the rules in 1 through 8 above.

LI.A5.05X

BENEFIT PAYMENT AND BENEFICIARY PROVISIONS

A. Payment Of Benefits

1. Except as provided in Item 5 below, benefits payable because of your death will be paid to the Beneficiary you name. See B through E of this section.
2. AD&D Insurance benefits payable for Losses other than Loss of Life will be paid to the person who suffers the Loss for which benefits are payable. Any such benefits remaining unpaid at that person's death will be paid according to the provisions for payment of a death benefit.
3. The benefits below will be paid to you if you are living.
 - a. AD&D Insurance benefits payable because of the death of your Dependent.
 - b. Dependents Life Insurance benefits.
 - c. Accelerated Benefits.
4. Dependents Life Insurance benefits and AD&D Insurance benefits payable because of the death of your Dependent which are unpaid at your death will be paid in equal shares to the first surviving class of the classes below.
 - a. The children of the Dependent.
 - b. The parents of the Dependent.
 - c. The brothers and sisters of the Dependent.
 - d. Your estate.

5. Additional Benefits will be paid as follows:

The Child Care Benefit will be paid to your surviving Spouse. No Child Care Benefit will be paid if you have no Spouse.

The Career Adjustment Benefit will be paid to your Spouse. No Career Adjustment Benefit will be paid if you have no Spouse.

The Higher Education Benefit will be paid to each eligible Child. No Higher Education Benefit will be paid if there is no Child eligible to receive it.

The Repatriation Benefit will be paid to the person who incurs the transportation expenses.

B. Naming A Beneficiary

Beneficiary means a person you name to receive death benefits. You may name one or more Beneficiaries for your Plan 1 Life Insurance, Plan 1 AD&D Insurance, Plan 2 Life Insurance and Plan 2 AD&D Insurance. If you name two or more Beneficiaries in a class:

1. Two or more surviving Beneficiaries will share equally, unless you provide for unequal shares.
2. If you provide for unequal shares in a class, and two or more Beneficiaries in that class survive, we will pay each surviving Beneficiary his or her designated share. Unless you provide otherwise, we will then pay the share(s) otherwise due to any deceased Beneficiary(ies) to the surviving Beneficiaries pro rata based on the relationship that the designated percentage or fractional share of each surviving Beneficiary bears to the total shares of all surviving Beneficiaries.
3. If only one Beneficiary in a class survives, we will pay the total death benefits to that Beneficiary.

You may name or change Beneficiaries at any time without the consent of a Beneficiary.

Your Beneficiary designation for your Plan 1 Life Insurance, Plan 1 AD&D Insurance, Plan 2 Life Insurance and Plan 2 AD&D Insurance may be different.

You may name a Beneficiary for your Plan 1 Life Insurance and Plan 1 AD&D Insurance, Plan 2 Life Insurance and Plan 2 AD&D Insurance. If a Beneficiary is not named for each of your Plan 1 Life Insurance, Plan 1 AD&D Insurance, Plan 2 Life Insurance and Plan 2 AD&D Insurance, death benefits payable due to your death for that Plan will be paid in accordance with D. No Surviving Beneficiary, below. Two or more named surviving Beneficiaries will share equally, unless specified otherwise.

You must name or change Beneficiary in writing. Writing includes a form signed by you or verification from the Policyholder or Employer of an electronic or telephonic designation made by you.

Your designation:

1. Must be dated;
2. Must be delivered to the Policyholder or Employer during your lifetime;
3. Must relate to the Insurance provided under the Group Policy; and
4. Will take effect on the date it is delivered to the Policyholder or Employer.

If we approve it, a designation, which meets the requirements of a Prior Plan will be accepted as your Beneficiary designation under the Group Policy.

C. Simultaneous Death Provision

If a Beneficiary or a person in one of the classes listed in item D. No Surviving Beneficiary dies on the same day you die, or within 15 days thereafter, benefits will be paid as if that Beneficiary or person had died before you, unless Proof Of Loss with respect to your death is delivered to us before the date of the Beneficiary's death.

D. No Surviving Beneficiary

If you do not name a Beneficiary, or if you are not survived by one, benefits will be paid in equal shares to the first surviving class of the classes below.

1. Your Spouse. (See **Definitions**)
2. Your children.
3. Your parents.
4. Your brothers and sisters.
5. Your estate.

E. Methods Of Payment

Recipient means a person who is entitled to benefits under this **Benefit Payment and Beneficiary Provisions** section.

1. Lump Sum

If the amount payable to a Recipient is less than \$25,000, we will pay it in a lump sum.

2. Installments

Payment to a Recipient may be made in installments if:

- a. The amount payable is \$25,000 or more;
- b. The Recipient chooses; and
- c. We agree.

